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Date: <u>14 DEC 1978</u>	By: <u>073</u>

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Payment for Services
to Agency by Employee

25X1A9a

25X1C4a

1. This memorandum contains a recommendation submitted for DD/S approval. Such recommendation is contained in paragraph 7.

2. The attached staff study and related papers set forth a claim in the amount of \$354.82 submitted by the FE Division on behalf of

25X1C4a

25X1A9a

3. Miss 's services were performed between December 1955 and August 1956 and timely claims for overtime were submitted by her. She has not been reimbursed for this overtime because of this Agency's inability to prescribe a suitable method of effecting payment.

4. The attached memorandum dated 17 January 1957 from the Office of the General Counsel outlines the case and states in part:

25X1A9a

"Since the fact of her services for this Agency, as well as the nature of those services, is a classified matter, Miss is, for practical purposes, denied this normal remedy (i.e., appeal to Congress). For this reason relief may be afforded through payment to her under the authority of Section 10(b) of the CIA Act of 1949, which permits the use of unvouchered funds to solve problems peculiar to this Agency by reason of the nature of the intelligence function. Accordingly, the DD/S may authorize payment under the authority of R paragraph 9(a)."

25X1A

However, the Office of the General Counsel's memorandum states further:

"We would also point out that although the Agency is able to use its unique authority to pay the sum due in this case, there is still a question as to whether or not the dual compensation statutes permit the employee to receive the money. Because payment will be made from unvouchered funds the question is not likely to

be raised, but if it should be it is possible that the Comptroller General or the courts will rule the receipt illegal as payment for services performed while holding a second office prohibited by law.

5. In this case, administrative mishandling has created a problem which never should have arisen. As pointed out in OGC's memorandum, if the correspondence from the field had been acted on rather than ignored, the problem would have been resolved before rather than after the fact. This fact has been discussed with the Chief, FE Support by the undersigned.

6. This office agrees with the Office of the General Counsel in the statement that equitable considerations certainly weigh in favor of payment of Miss [REDACTED] claim. She performed services in good faith under verbal understanding, with an individual having implied authority to hire her.

7. It is therefore recommended that the \$314.82 overtime payment to Miss [REDACTED] be approved under authority of R [REDACTED]. If payment is approved, Miss [REDACTED], will be instructed to pay taxes on this amount [REDACTED]

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Special Support Assistant
to the
Deputy Director (Support)

The recommendation in paragraph 7 is approved:

151
L. K. WHITE
Deputy Director
(Support)

19 Feb 57
Date

25X1A6a

Attachments

SSA(Compt)WTH:jh(13 Feb 57)

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I am personally familiar with the general working conditions in [REDACTED] and the difficulties in supplying adequate clerical support. It is probable that the Station Chief had no alternative to securing the services of [REDACTED] subject, reading another G-1 temp. payee. In approving this payment, however, I do not wish to set a precedent for this type of action generally.

151 L.K.W. - 19 Feb 57